

Unlocking Growth Potential in Property Management: Challenges, Opportunities, and the Role of Technology

Current trends in the property management industry to help you stay ahead and grow your business.



Table of Contents

Report Highlights	01
About DoorLoop	02
Introduction	03
What Do Property Managers and Landlords Want to Achieve?	04
How Can Property Managers Unlock their Growth Potential?	08
What Does This Mean for Growth?	10
How Can Technology Help?	11
Free Resources	12
Index	13

Report Highlights

DoorLoop conducted a nationwide survey with over 1000 property management professionals to determine the barriers they face in achieving a successful property management career and business growth. In summary, property managers struggle to grow their businesses due to manual administrative tasks and a challenging real estate market.

The rapid changes in the market and high home prices add to these difficulties. But even with these hurdles, the industry grew by 1.9% in 2023. Also, more and more people are using PropTech to help them stay organized and manage properties from anywhere.

Here are the highlights:

1. **Industry Challenges:** Property managers seek to manage and grow their portfolios, but this aspiration is hindered by rising home prices, market complexity, and a lack of suitable tools for portfolio scaling.
2. **Real Estate Investing Tips:** Achieving high ROI requires a strategic understanding of market conditions, property conditions, cash flow, profitability, and financing options.
3. **Obstacles to Expansion:** The constraints of time and the need for record-keeping, tenant acquisition, managing work orders, and rent collection make portfolio expansion challenging.
4. **Future Outlook:** Despite the challenges, the property management industry is growing, and the role of PropTech solutions like DoorLoop will be pivotal in supporting this growth by enhancing efficiency and facilitating strategic decision-making.

The emphasis here is clear: time and efficiency are very important in the property management industry. Read on and understand what challenges property managers face, what opportunities exist, and how technology plays a role in unlocking real growth potential.

About DoorLoop

DoorLoop is an all-in-one property management software that makes managing your entire portfolio easier. Handling an eviction is hard, but you can reduce the chance of having to evict tenants and increase your occupancy rate with tools such as:

- Automated rent collection
- Late payment reminders
- Comprehensive background checks with TransUnion SmartMove
- Maintenance management tools
- Automatic rental listings
- And much more

[Sign up for a free demo of DoorLoop](#) and see what it can do for you.

Introduction:

The real estate market is a dynamic and vital sector of the economy, serving as a cornerstone for housing options and fostering business growth opportunities nationwide. However, even within this seemingly thriving market, the property management industry faces significant challenges, particularly during periods of economic downturn.

Property managers in real estate face challenges in a competitive market, balancing tenant needs with profitability, complying with regulations, and optimizing operations. Unlocking growth potential in property management requires addressing these hurdles effectively. What can we learn from our survey results.

The survey findings yielded valuable insights:



Time-consuming administrative tasks demand excessive attention from property managers and landlords, impeding their ability to pursue business growth opportunities effectively, or even at all.



Bookkeeping and accounting emerged as a substantial burden, debilitating property managers and landlords, as they grappled with the allocation of precious time.



Property managers and landlords **seek solutions** to help them stay organized and keep their calendars flexible.

What Do Property Managers and Landlords Want to Achieve?

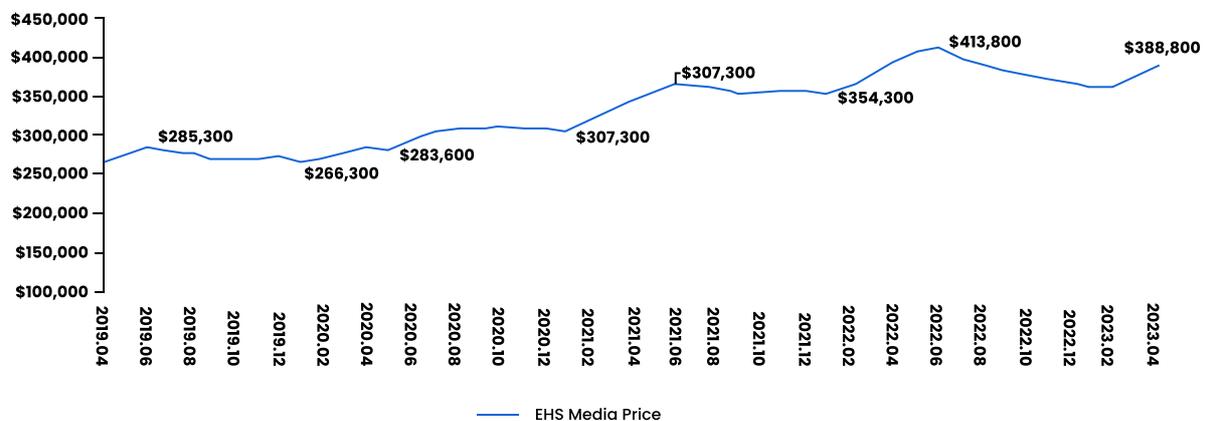
Our study found that nearly half (44%) of respondents' biggest pain is managing and growing their portfolios. Most of them don't know how to do so or just don't have the proper tools available to them.

44%
of users say that their biggest pain is managing and growing their portfolios

Scaling a portfolio can be an incredibly challenging task, especially given the recent surge in the median price of existing home sales. In late 2022, this figure reached an astounding \$413,800, marking a staggering 16% increase within just a five-month period, which might have scared some property owners from adding new properties to their portfolios.

But there is hope. In April of 2023, the median price of existing home sales experienced a welcomed decline of approximately 6% compared to its late 2022 peak.

Median Price of Existing Home Sales



Source: National Associations of Realtors

Although home prices might be “stabilizing,” there are many other factors that will impede property managers and landlords from expanding their portfolios, and that includes time to search and visit prospective properties, knowledge of real estate markets, and available funds.

Reaching a high return on investment (ROI) in Real Estate can be a daunting task. Multiple variables influence the potential returns, requiring careful analysis and strategic decision-making.

Here are several key factors prospective investors should examine prior to purchasing their next investment property.

- **Market Conditions:** Familiarize yourself with the current market conditions, including the demand for rental properties and average rental rates in the area. If you are an investor, some techniques you can apply to get to know a new market are contacting the most active brokerages in the area, interviewing local property management companies, and researching local real estate market data provided by the National Association of Realtors and other reputable sources.
- **Property Condition:** Consider the age and condition of the property. Older properties might require more maintenance or updates, which could eat into your profits. Hiring a professional to perform a home inspection before buying could help identify potential issues. Always remember that housing built prior to 1978 is subject to lead-based paint disclosures and that all renovations on these properties should be performed by EPA-certified contractors. (for more information: For more information, [click here](#).)

- **Cashflow & Profitability:** You need to calculate your potential return on investment (ROI). A good ROI for a rental property typically falls between 6–8%. The most popular metrics for evaluating a real estate investment are Capitalization Rate, Equity Multiple, Internal Rate of Return, Annual Rate of Return, and Cash-on-Cash return. For more information, visit doorloop.com/blog and search for your preferred metric and apply it to your deals. In order to facilitate the process of calculating your Return on Investment (ROI), DoorLoop has created calculators! [Click here](#) to access our ROI calculator.
- **Financing:** Consider how you'll finance the purchase. If you plan on using a loan, shop around for the best rates and terms. Remember, the cost of the loan will affect your ROI. Current mortgage rates (as of May 2023) for a 30-year fixed loan stand at [6.57%](#), according to the St. Louis FED, and are forecasted to drop to just below [6% by Q4-23](#) according to a forecast published by the National Association of Realtors.

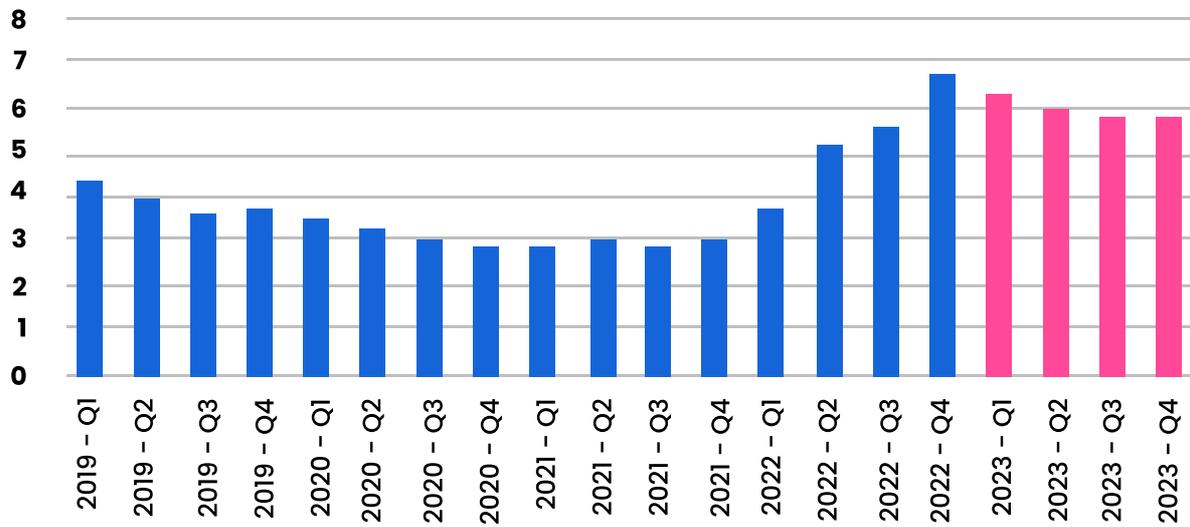
30 Year Fixed Rate Mortgage Average in the United States



Shaded areas indicate U.S. recessions

Source: FRED

Mortgage Rate Forecast



Source: National Associations of Realtors

The real estate market presents many different opportunities for investments, you can invest in low-income/workforce housing, commercial real estate, and even great long-term hold investments like land.

All real estate investment categories are great choices for long-term profitable investments. Your choice of investment will depend on your short-term and long-term financial goals. Regardless, Real Estate is a great investment vehicle for generating cash flow, equity appreciation, and for its unique tax advantages.

How Can Property Managers Unlock their Growth Potential?

Our survey found that the key issue preventing landlords and property managers from expanding their portfolios is the constraint of time. The property management industry is fast-paced and the job of a property manager is a stressful one. It's hard to stay focused and productive as managers are pulled in many directions. Property managers love that their job changes daily and we wanted to dig deeper into the time constraints issues uncovered.

Our Findings

Upon analyzing survey results, we noticed that approximately 23% of respondents identified accounting as the most time-intensive aspect of their business operations. It appears that the recording, tracking, and analysis of financial transactions consume a considerable portion of their daily schedule.



Approximately 23% of respondents identified bookkeeping and accounting as the most time-intensive aspect of their business operations



Organization was a notable concern for 14% of respondents.



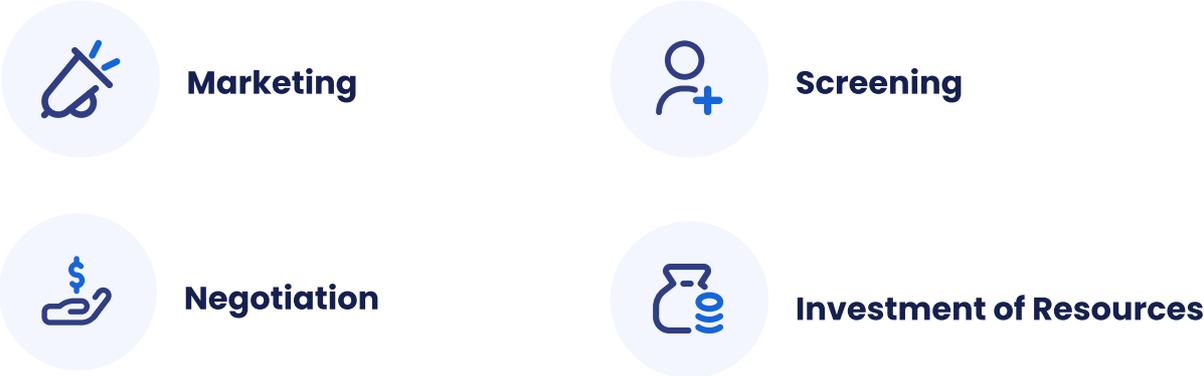
17% of participants acknowledged that managing account orders was a major consumer of their time.



Tenant acquisition also emerged as a time-consuming activity by 10% of respondents.

Other activities were also identified as significant contributors to the time drain experienced by property managers. Recordkeeping and task management were notable concerns for 14% of respondents. The need to maintain orderly records, schedules, and communications poses a challenge in time management, especially if the individual has not adopted a paperless method.

Tenant acquisition also emerged as a time-consuming activity, with 10% of respondents citing the search for high-quality tenants as particularly labor-intensive. The tenant-screening process is more than meets the eye; it requires managers and landlords to stay on top of the following tasks:



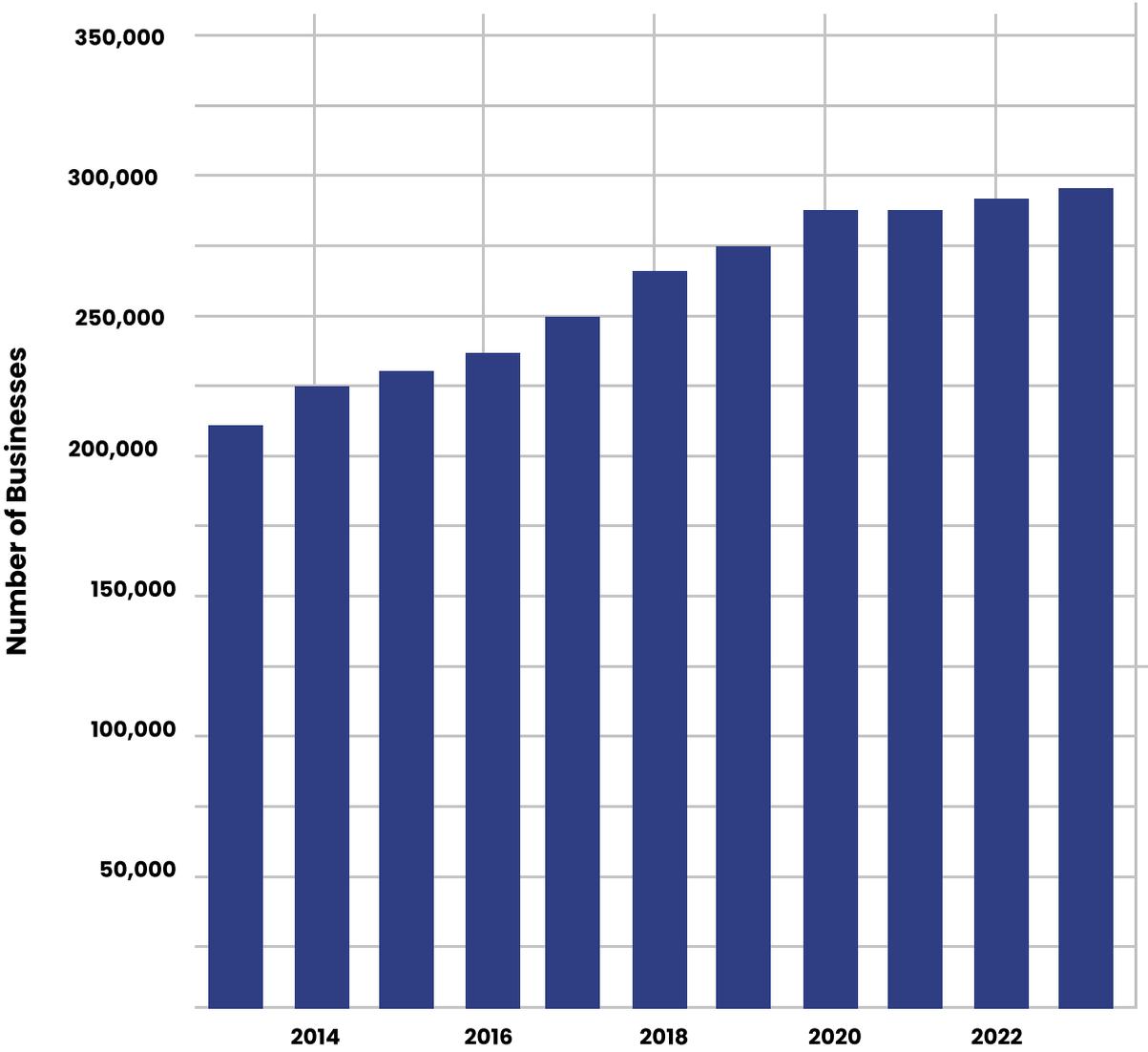
17% of participants acknowledged that managing work orders consumed a significant amount of their time.

Finally, rent collection was highlighted as a time-consuming task by 12% of respondents. This activity is crucial and inevitable and while seemingly straightforward, it can become complex due to late payments, non-payments, and related disputes.

What Does This Mean for Growth?

The analysis presented above revealed the tasks that form the backbone of property management operations and explains why portfolio expansion is a considerable challenge.

Even amidst these operational complexities, the property management industry saw a [1.9% growth in 2023](#). Given this growth trajectory, The need for solutions that will allow them to manage their time more effectively is imperative given their growth trajectory.



Source: Property Management in the US - Number of Businesses 2004-2029

How Can Technology Help?

In the landscape of Property Technology (Proptech), user trends show a preference for solutions that allow for organization and remote management.

We found that a significant 33% of users adopt Proptech solutions to enhance their organization, while 21% utilize them to manage their properties from virtually any location.

The most impactful aspects of property management software, as identified by our respondents, include:

25% Comprehensive accounting services and seamless implementation

20% Automated rent collection

18% User-friendly tenant portals and automated tenant screening processes

DoorLoop helps property managers and landlords accomplish more by doing less. We centralize tenant communications from one platform, automate report creation for every aspect of your business, and with simple integration with all other tools you use, DoorLoop empowers property managers to grow their business and build lasting relationships with tenants.

Free Resources

CLICK ON THE RESOURCES TO EXPLORE

 Dictionary	 Hub	 Forms	 Webinars	 Audits
 Laws	 Podcast	 Directory	 Associations	 Calculators

In addition to a great product, DoorLoop is building a rich library of resources property managers can leverage to grow their businesses effectively.

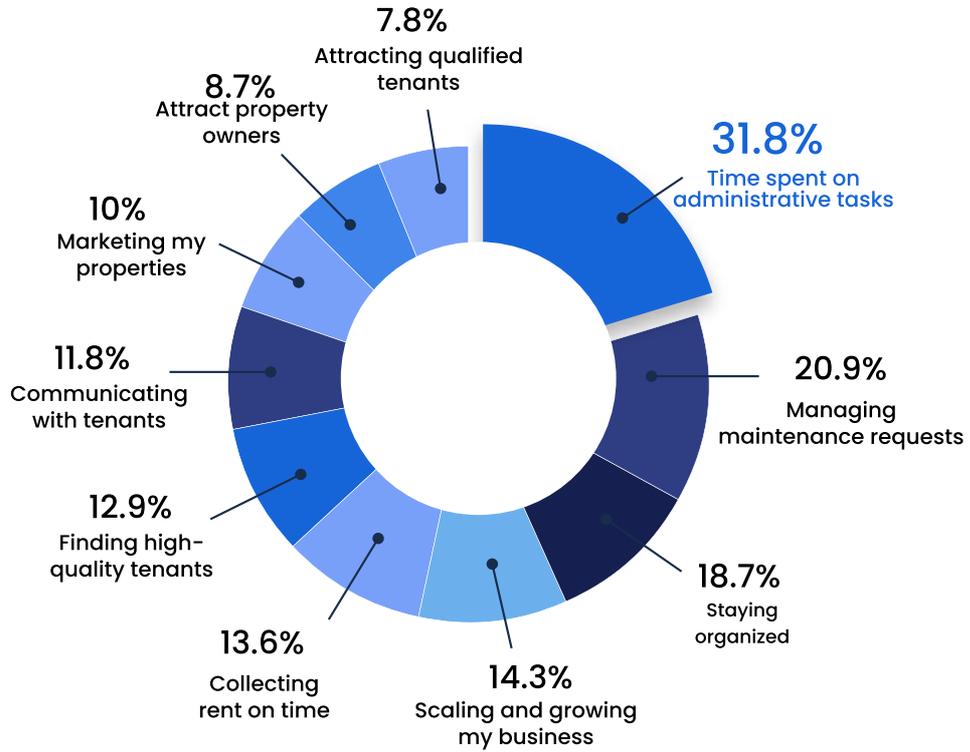
To access DoorLoop's free resources, [click here!](#)



Index

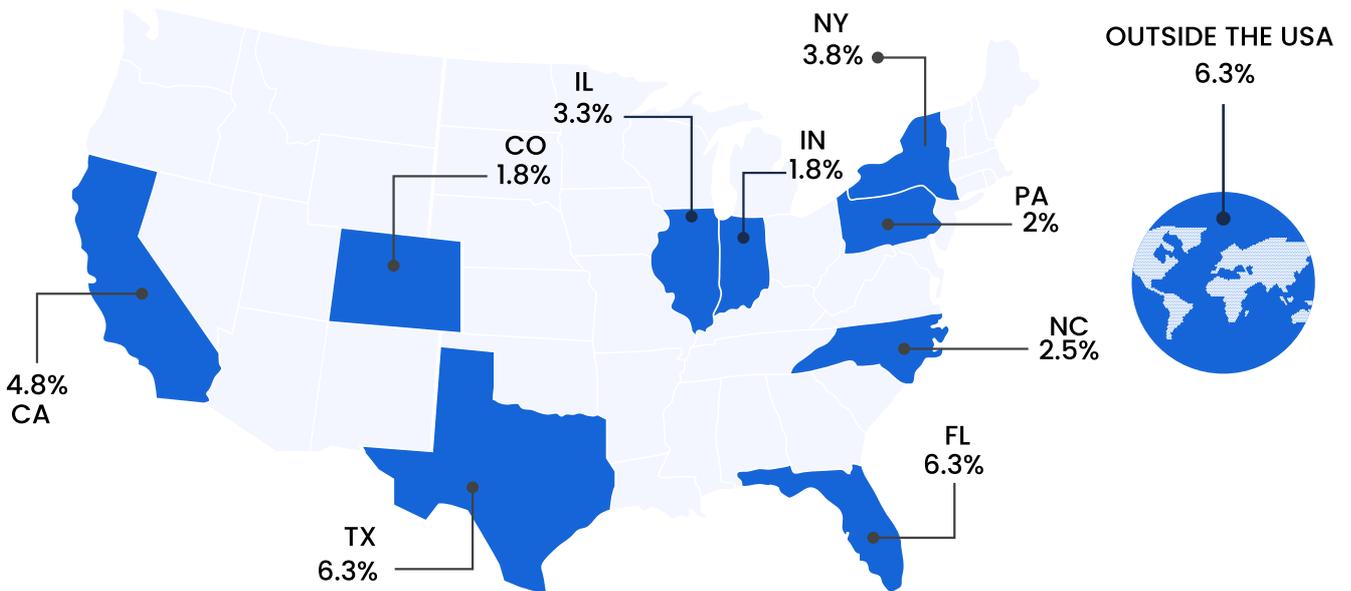
Survey Results

What are your biggest pain points?



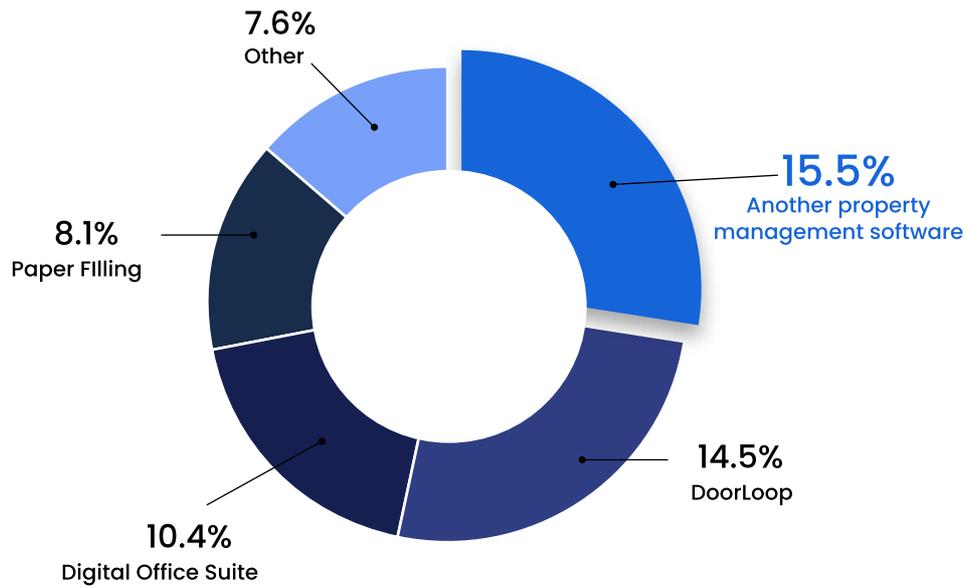
Source DoorLoop Survey, N= 449

In what state are most of your properties located?



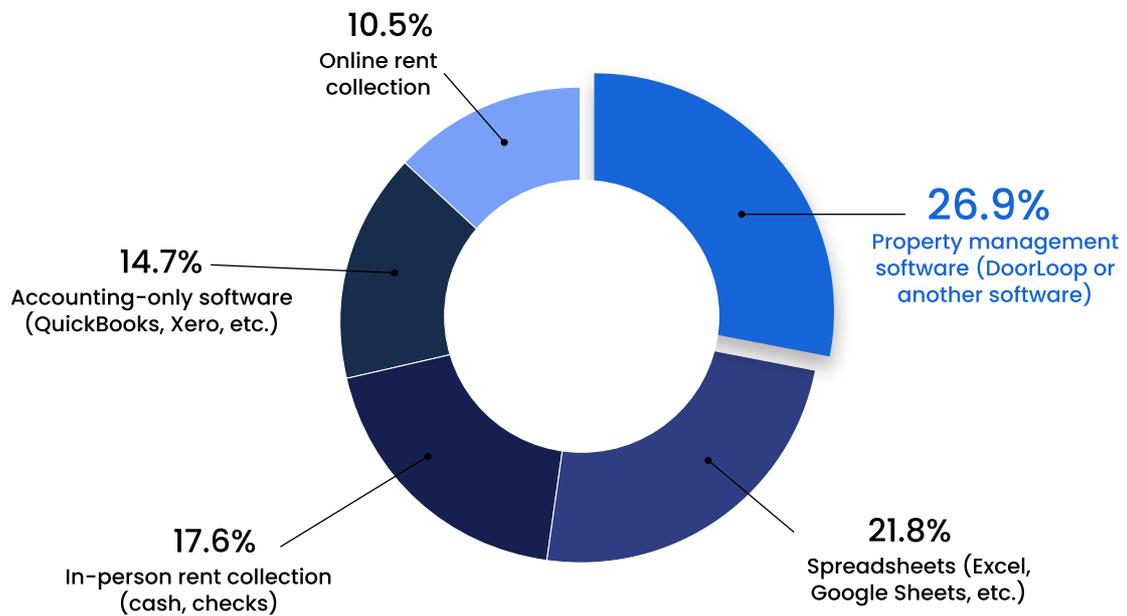
Source DoorLoop Survey, N= 394

How do you currently manage your properties?



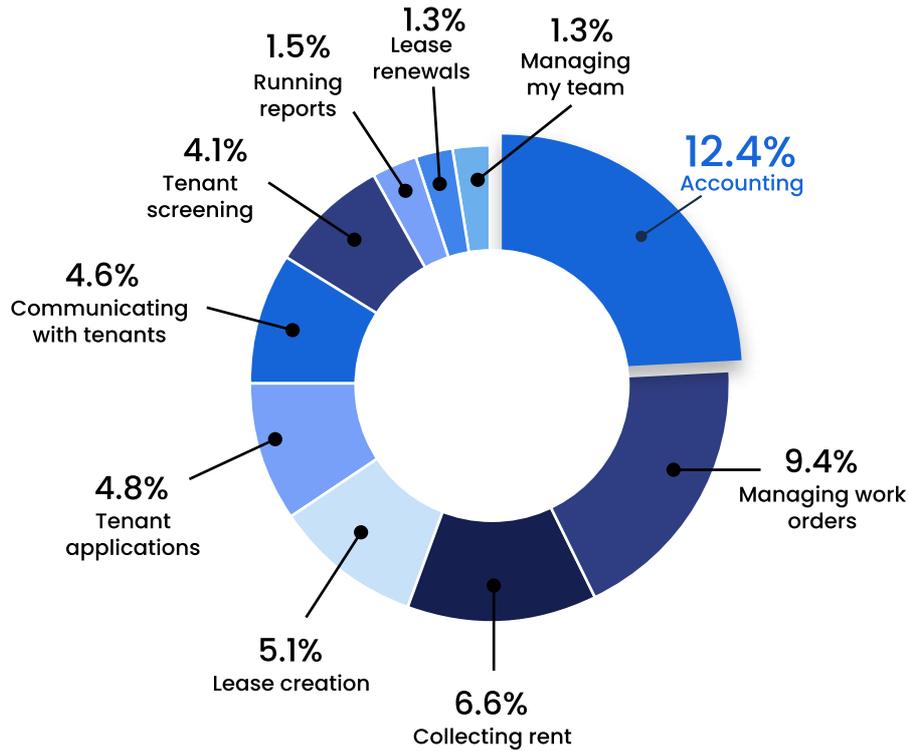
Source DoorLoop Survey, N= 394

What tools are you currently using for accounting and rent collection?



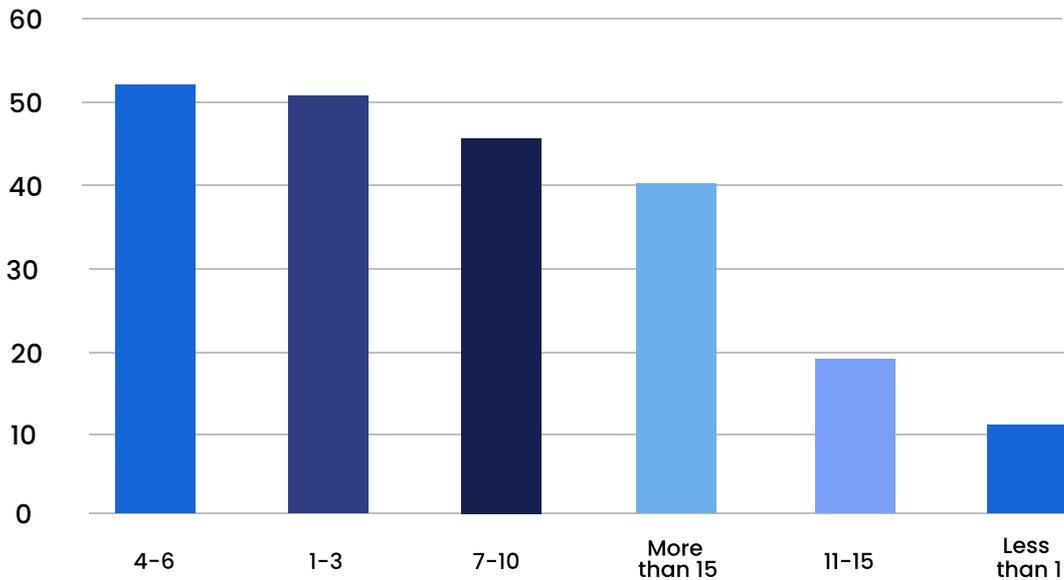
Source DoorLoop Survey, N= 449

What is the most time consuming part of your business?



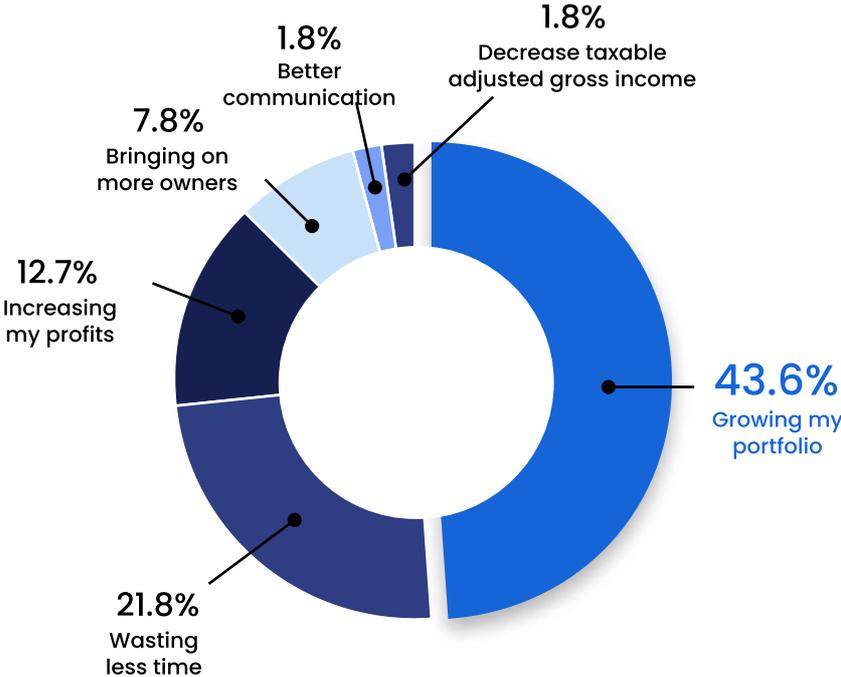
Source DoorLoop Survey, N= 394

How many hours a week do you spend on your most time consuming tasks?



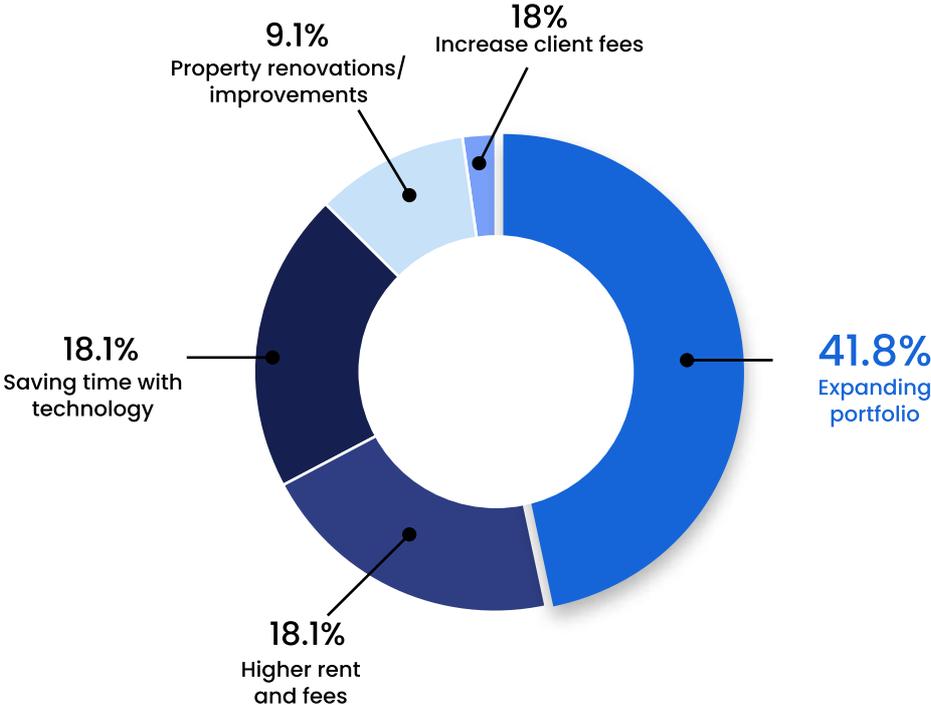
Source DoorLoop Survey, N= 394

Which of the following is your biggest priority for the next year?



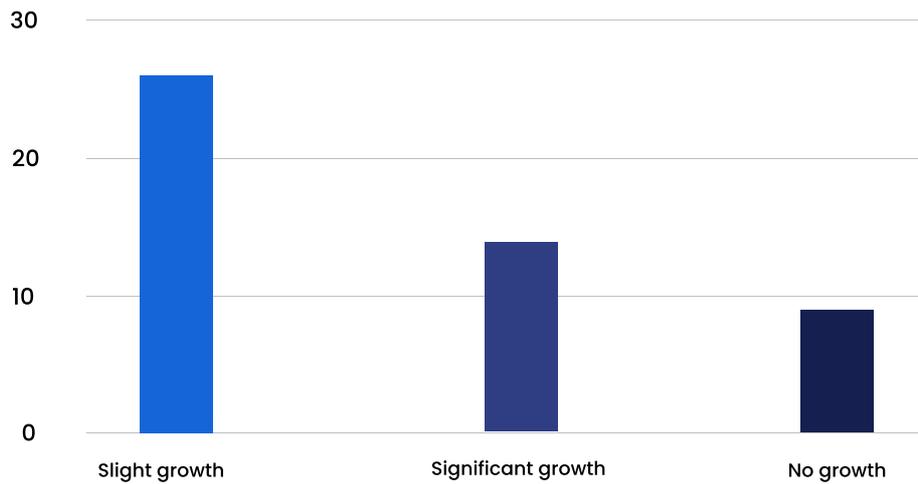
Source DoorLoop Survey, N= 55

Which of the options below best describes how you plan to increase revenue in the next year?



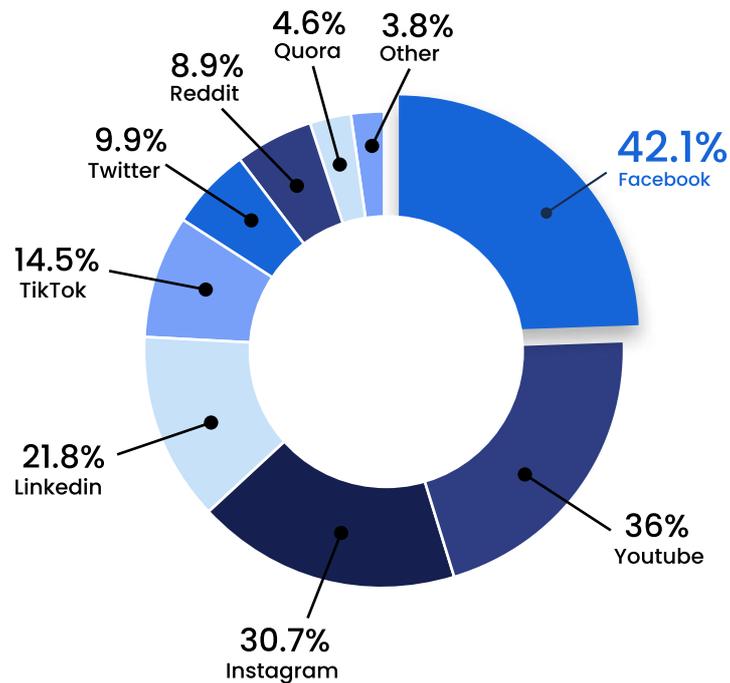
Source DoorLoop Survey, N= 55

What are your business growth expectations in the next 18 months?



Source DoorLoop Survey, N= 55

What social media platforms do you regularly use (at least once per week)?



Source DoorLoop Survey, N= 55



 Miami, Florida (HQ)

 www.doorloop.com

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